

ABSTRACT OF THE DISCLOSURE

A method and system for financing the purchase of natural gas for a gas utility company includes the provision of a financial intermediary entity which purchases gas for storage and enters into a sales contract with the utility.

- 5 The intermediary entity may purchase gas from producers and pay transport and storage costs while the utility withdraws gas from storage inventory and distributes the gas to its customers as needed. The intermediary entity is created with a capital structure which has a financial credit rating
- 10 superior to the utility and the intermediary entity profits from the financial interest rate spread between debt instruments issued by the intermediary and the price paid to the intermediary entity for gas withdrawn from storage by the utility. The intermediary entity utilizes risk
- 15 assessment information to determine the terms and conditions of a contract with the utility and to ensure continuous access to natural gas storage inventory financing on preferred and favorable terms.

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